



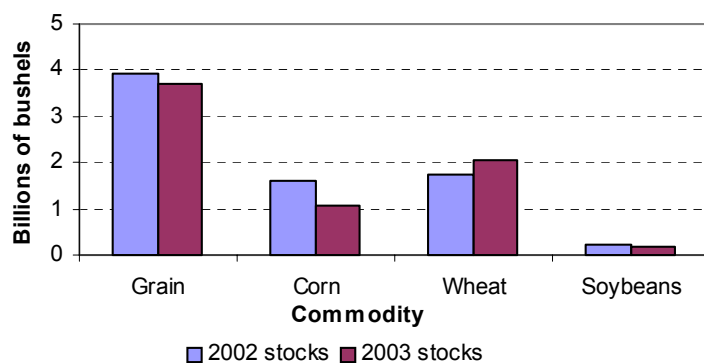
GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

OCTOBER 23, 2003

TM GRAIN TRANSPORT					
COST INDICATORS*					
	Truck	Rail	Barge	Ocean	
				Gulf	Pacific
10/22/03	101	97	169	205	272
Compared to Last Week	↑	↓	↑	↑	↑
*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan					

Total Grain, Corn, Wheat, and Soybeans Stored in All Positions, by September 2002 and 2003



Data source: *Grain Stocks*, NASS, USDA, September 30, 2003

September Total Grain Stocks Down in 2003. Total grain stored in all positions as of September 1, 2003, was down 248.2 million bushels for a total of 3.70 billion bushels, a 6-percent reduction, compared with September 2002 (see figure). Thirty-nine percent of the grain was stored on farms, while the remainder was stored in off-farm facilities. Thirty-six percent of grain was stored on farms during the previous September.

Corn, Soybeans Down While Wheat Stored in All Positions Up in 2003. As of September 1, 2003, corn stored in all positions totaled 1.09 billion bushels, down 511 million bushels or 32 percent, compared with September 1, 2002. Of the total corn stored, 485 million bushels were stored on farms, down 17 percent from a year earlier. Off-farm stocks, at 601 million bushels, were down 40 percent from the previous year. Soybeans stored in all positions as of September 1, 2003, totaled 169 million bushels, down 19 percent from a year earlier. On-farm stocks were down 7 percent, while off-farm stocks were down 23 percent from March 2002.

All wheat stocks in all positions as of September 1, 2003, totaled 2.04 billion bushels, a 16-percent increase from stocks held a year ago. On-farm stocks, estimated at 690 million bushels, were up 19 percent from the previous September, while off-farm stocks, at 1.35 billion bushels, were up 15 percent from a year earlier.

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China Soybean Imports Hit Record High. A USDA report puts Chinese soybean imports in 2002/03 at 20.3 million tons. This figure nearly doubles the 2001/02 level of 10.4 million tons and is even more remarkable when compared with the 1997/98 level of 2.9 million tons. The increase in Chinese imports is fueled by increased domestic consumption, especially in feeding poultry and hogs. In addition, part of the imports is used to replenish the depleted stocks. Both the United States and Brazil are expected to post record years for exports to China in 2003/04, with U.S. exports at 7.7 million tons and Brazil at 7.4 million tons. The previous U.S. record of soybean exports to China was 5.4 million tons in 2000/2001. China is expected to import 20.5 million tons of soybeans in 2003/04, with the United States and Brazil maintaining similar shares of the market. Generally, most of the soybean shipments to China originate from the U.S. Gulf. On average, 70 percent of soybeans destined for China during the last quarter was inspected at Gulf ports, while the remainder was inspected at PNW ports. However, most of the soybeans inspected at PNW ports are destined for China.

www.fas.usda.gov/oilseeds/circular/2003/03-10, www.usda.gov/gipsa, Surajudeen.Olowolayemo@usda.gov

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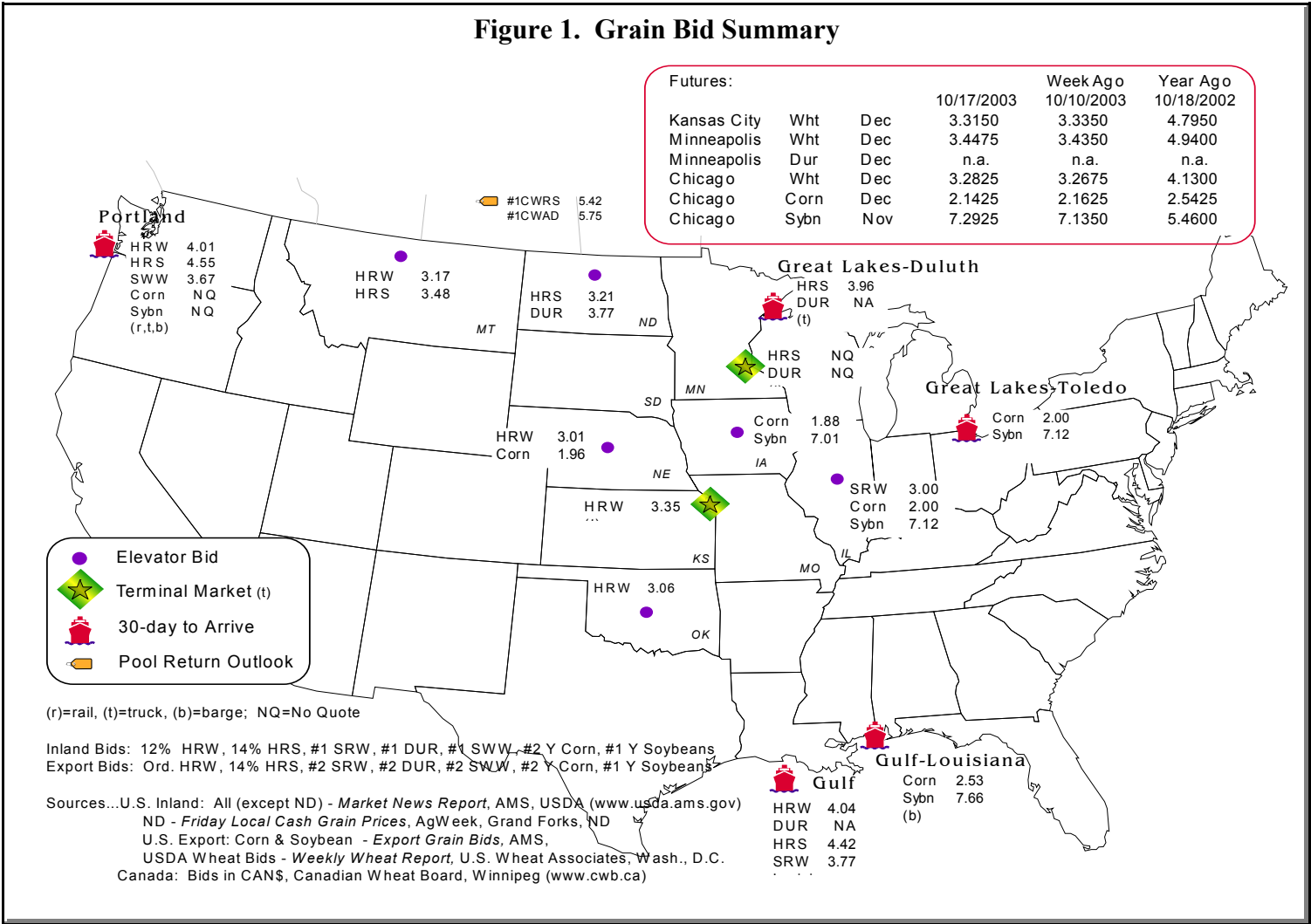
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The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Table 1-- Market update: U.S. origins to export position price spreads (per bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.53	-0.52
Corn	NE -- Gulf	-0.57	-0.57
Soybean	IA -- Gulf	-0.65	-0.68
HRW	KS -- Gulf	-0.69	-0.63
HRS	ND -- Portland	-1.34	-1.35

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

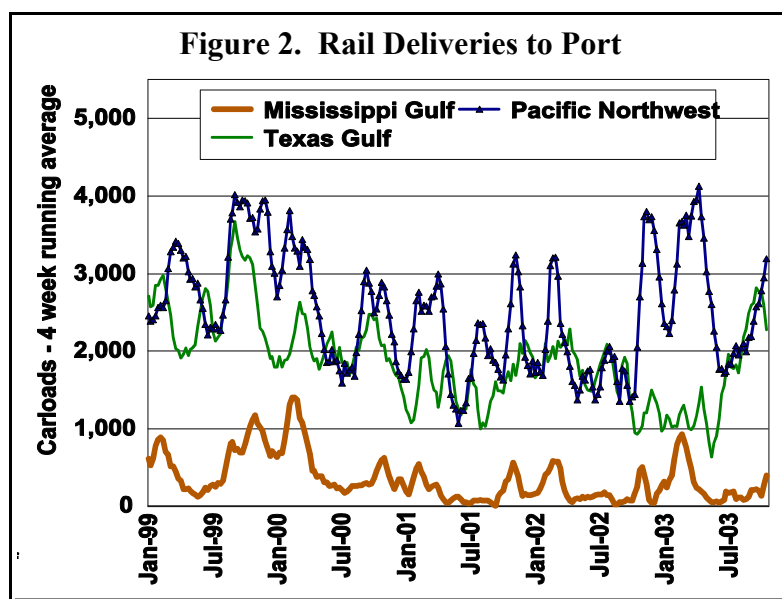


RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
10/08/03	589	2,070	3,531	21	6,211
10/15/03	654	1,843	3,602	148	6,247
2003 YTD	12,112	66,605	112,267	11,690	202,674
2002 YTD	8,541	72,459	78,521	15,872	175,393
% 2002 YTD	142%	92%	143%	74%	116%
2002 Total	11,127	85,822	113,857	21,562	232,368
2001 Total	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

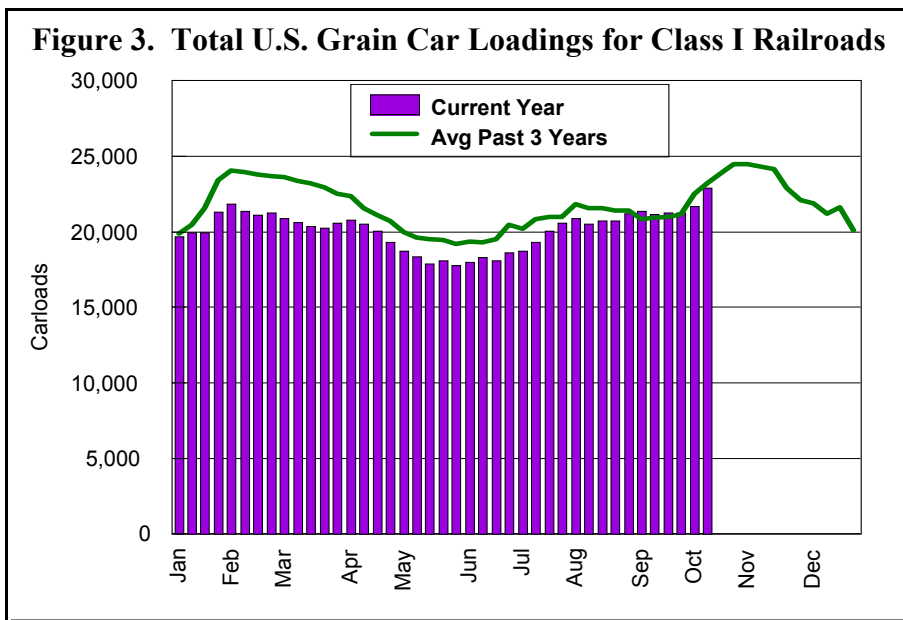


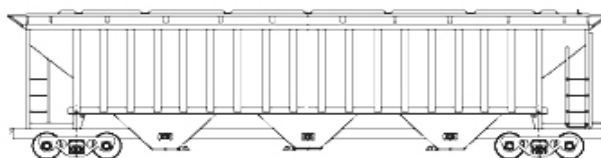
Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
10/11/03	3,348	4,145	9,480	595	7,670	25,238	4,910	4,155
This Week Last Year	3,324	3,758	8,322	452	6,398	22,254	4,064	4,489
2003 YTD	109,903	130,329	310,616	17,696	267,599	836,143	146,666	149,792
2002 YTD	110,026	127,203	305,590	21,521	269,423	833,763	157,906	152,561
% 2002 YTD	100%	102%	102%	82%	99%	100%	93%	98%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. rail covered hopper cars online index*

Sep-03	94.6	99.4	94.4	95.5	95.6	95.7
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

**Table 4--Tariff rail rates for unit train shipments**

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel*
10/06/03	Wheat	Kansas City, MO	Galveston, TX	\$1,820	\$20.06	\$0.55
10/06/03	Wheat	Minneapolis, MN	Portland, OR	\$4,148	\$45.72	\$1.24
10/06/03	Wheat	St. Louis, MO	Houston, TX	\$1,945	\$21.44	\$0.58
10/06/03	Wheat	Kansas City, MO	Laredo, TX	\$2,280	\$25.13	\$0.68
10/06/03	Wheat	Chicago, IL	Albany, NY	\$1,834	\$20.22	\$0.55
10/06/03	Corn	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
10/06/03	Corn	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.77
10/06/03	Corn	Council Bluffs, IA	Baton Rouge, LA	\$2,170	\$23.92	\$0.61
10/06/03	Corn	Evansville, IN	Raleigh, NC	\$1,886	\$20.79	\$0.53
10/06/03	Corn	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.80
10/06/03	Soybean	Minneapolis, MN	Portland, OR	\$3,110	\$34.28	\$0.93
10/06/03	Soybeans	Chicago, IL	Baton Rouge, LA	\$2,736	\$30.16	\$0.82
10/06/03	Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,799	\$30.85	\$0.84
10/06/03	Soybeans	Des Moines, IA	Laredo, TX	\$2,864	\$31.57	\$0.86
10/06/03	Soybeans	Evansville, IN	Raleigh, NC	\$1,886	\$20.79	\$0.57

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Table 5—Secondary rail car market,

Average premium/discount to tariff, \$/car - last week

	Delivery Period			
	Dec-03	Jan-04	Feb-04	Mar-04
BNSF-GF	\$2	\$(5)	\$(5)	\$(5)
UP-Pool	\$0	\$(2)	\$1	\$1

Sources: James B. Joiner & Co.; Tradewest Brokerage Co.

: GF=Guaranteed Freight, Pool=Guaranteed Pool

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

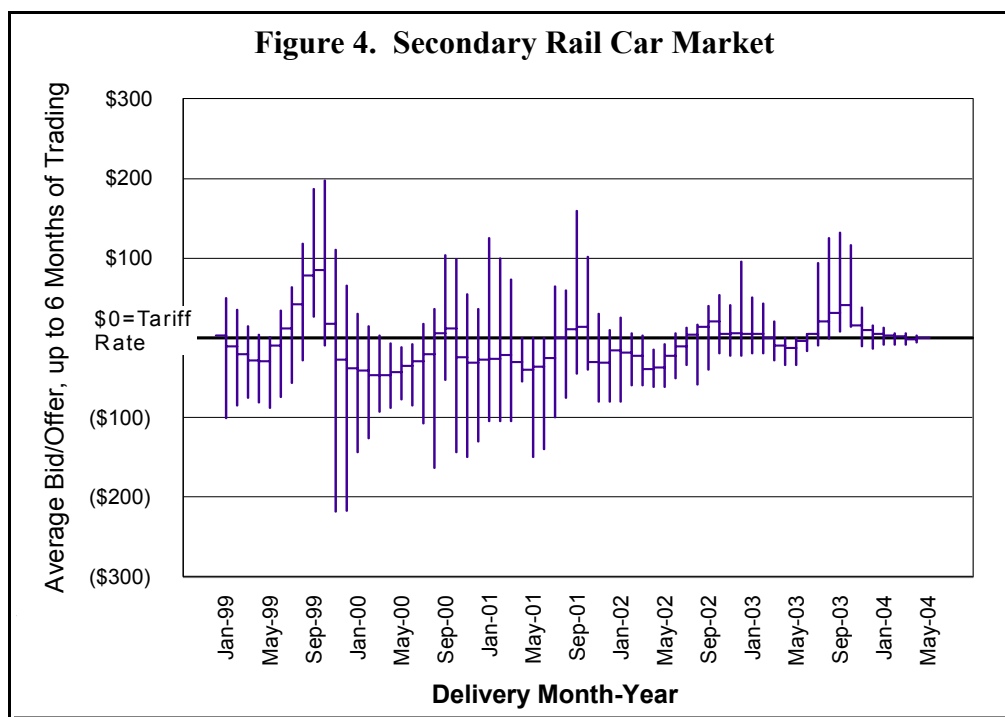
Table 6--Railroad car 'Auction' results

Average premium/discount to tariff, \$/car - last auction

Delivery for:	Nov-03	Dec-03	Jan-04
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	\$3	no bid	no bid

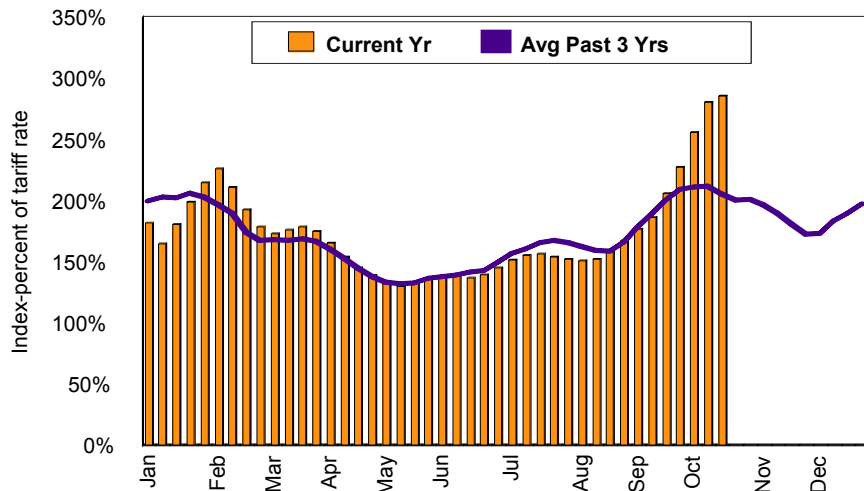
Source: Transportation & Marketing/AMS/USDA.

COT=Certificate of Transportation; GCAS=Grain Car Allocation System



BARGE TRANSPORTATION

Figure 5. Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

Table 7-- Barge rate quotes: Southbound barge freight
 Index=percent of tariff, based on 1976 tariff benchmark rate

Location	10/15/03	10/8/03	Nov '03	Jan '04
Twin Cities	270	282	259	nq
Mid-Mississippi	266	285	216	nq
Illinois River	268	298	204	198
St. Louis	253	280	177	143
Lower Ohio	248	267	186	149
Cairo-Memphis	216	245	166	132

Source: Transportation & Marketing/AMS/USDA

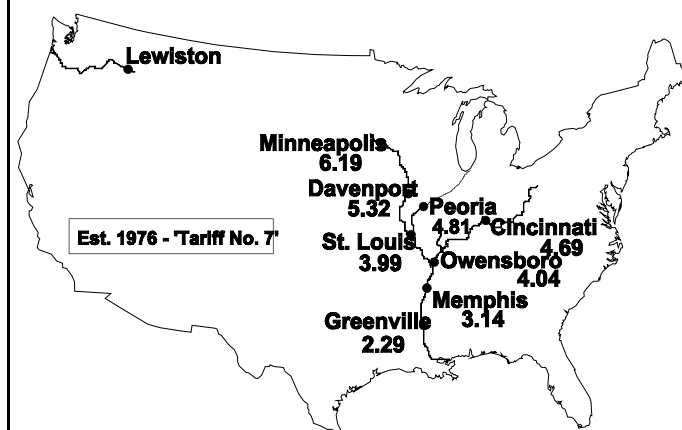
Table 8--Barge futures market

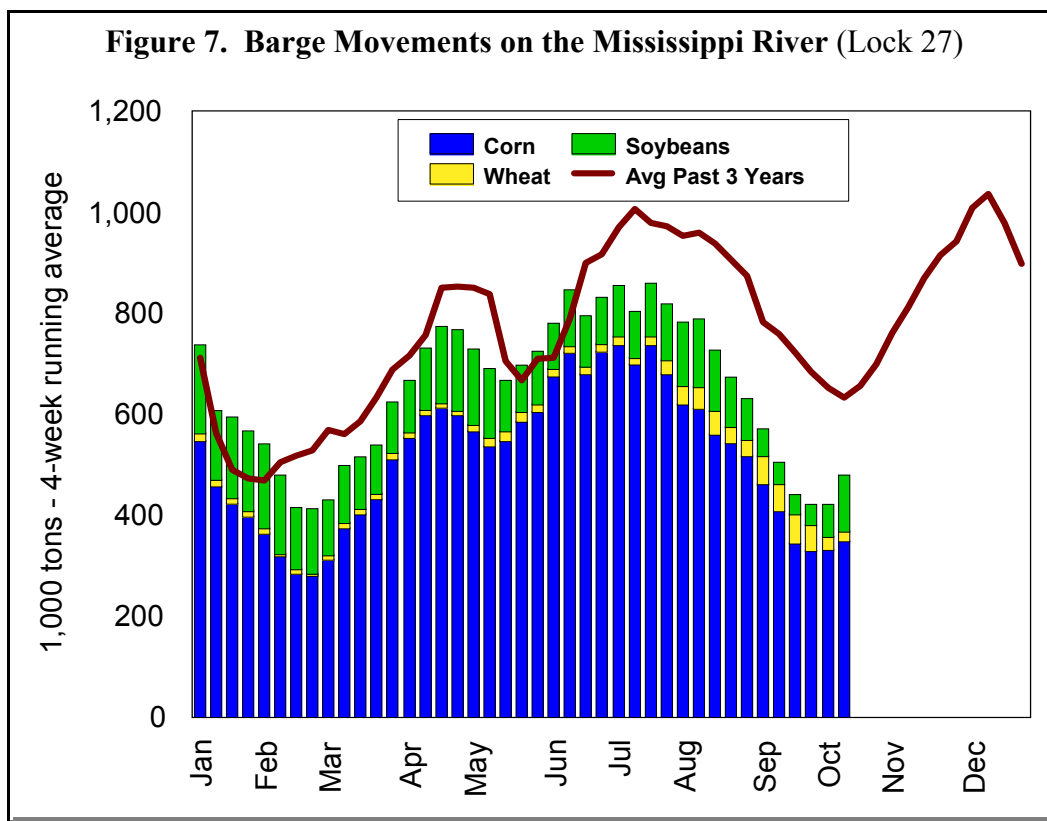
Southbound barge freight nominal/cash basis values
 Index=percent of tariff, based on 1976 tariff benchmark rate

Week ended	River/region	Contract period	Rate	
			futures	cash
10/21/03	St. Louis	Nov.	n/a	255
		Jan.	n/a	145
		Mar.	n/a	145
		Apr.	n/a	145
		May.	n/a	145
	Illinois River	Nov.	n/a	260
		Jan.	n/a	205
		Mar.	n/a	173
		Apr.	n/a	163
		May.	n/a	155

Source: St. Louis Merchants Exchange

Figure 6. Benchmark Tariff Rates



**Table 9--Barge grain movements (1,000 tons)**

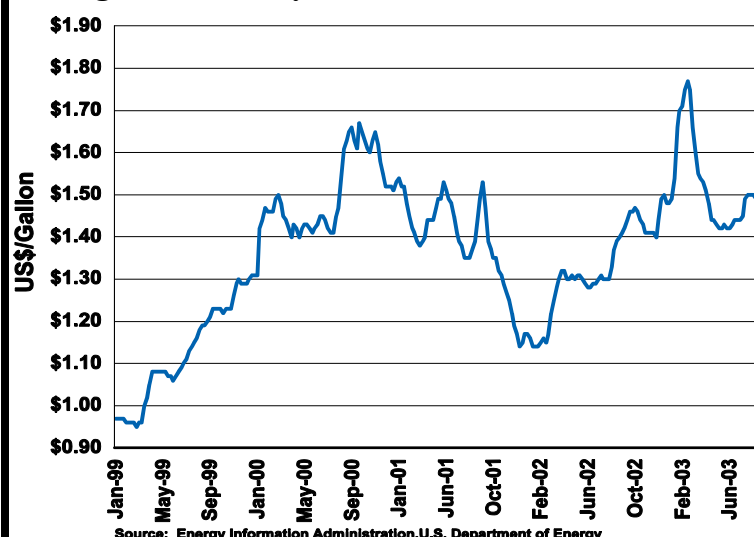
Week ending 10/11/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	149	9	133	291
Winfield, MO (L25)	203	12	124	339
Alton, IL (L26)	393	14	204	611
Granite City, IL (L27)	416	19	216	652
Illinois River (L8)	105	11	48	164
Ohio River (L52)	46	3	11	60
Arkansas River (L1)	0	0	0	0
2003 YTD	22,288	2,350	6,014	31,248
2002 YTD	27,229	2,168	7,905	38,551
% 2002 YTD	82%	108%	76%	81%
2002 Total	35,066	2,590	11,634	50,810

Source: U.S. Army Corp of Engineers

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

Figure 8. Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Figure 9. Weekly Brent Crude Price, Friday Close

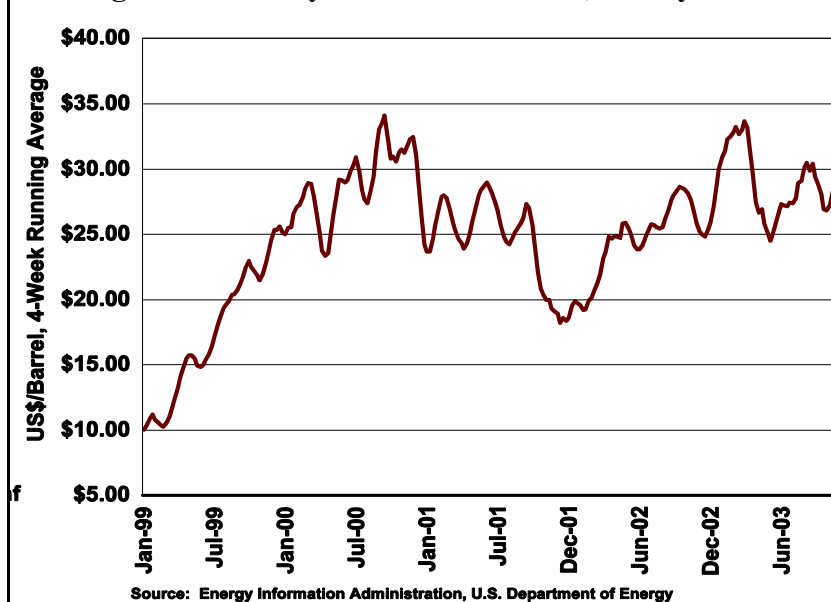


Table 10--Crude oil prices (US\$ per Barrel)-10/21/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	30.00	31.53	↓
Brent Crude	29.59	31.27	↓

Source: U.S. Department of Energy, www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

Table 11--U.S. export balances (1,000 Metric Tons)

Unshipped export balance	Wheat					All Wheat	Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR				
10/09/03	2,161	322	1,071	816	192	4,561	9,229	10,393	24,183
This Week Year Ago	1,683	480	1,675	819	107	4,767	6,890	7,362	19,019
Cumulative Exports-Crop Year									
2003/04 YTD	3,176	1,606	2,568	1,452	463	10,550	4,699	1,436	16,685
2002/03 YTD	4,462	1,062	2,384	1,187	338	8,147	3,836	1,227	13,210
% 2002/03 YTD	71%	151%	108%	122%	137%	129%	122%	117%	126%
2001/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
2000/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

Source: Foreign Agricultural Service/USDA; YTD: Year-to-Date; Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

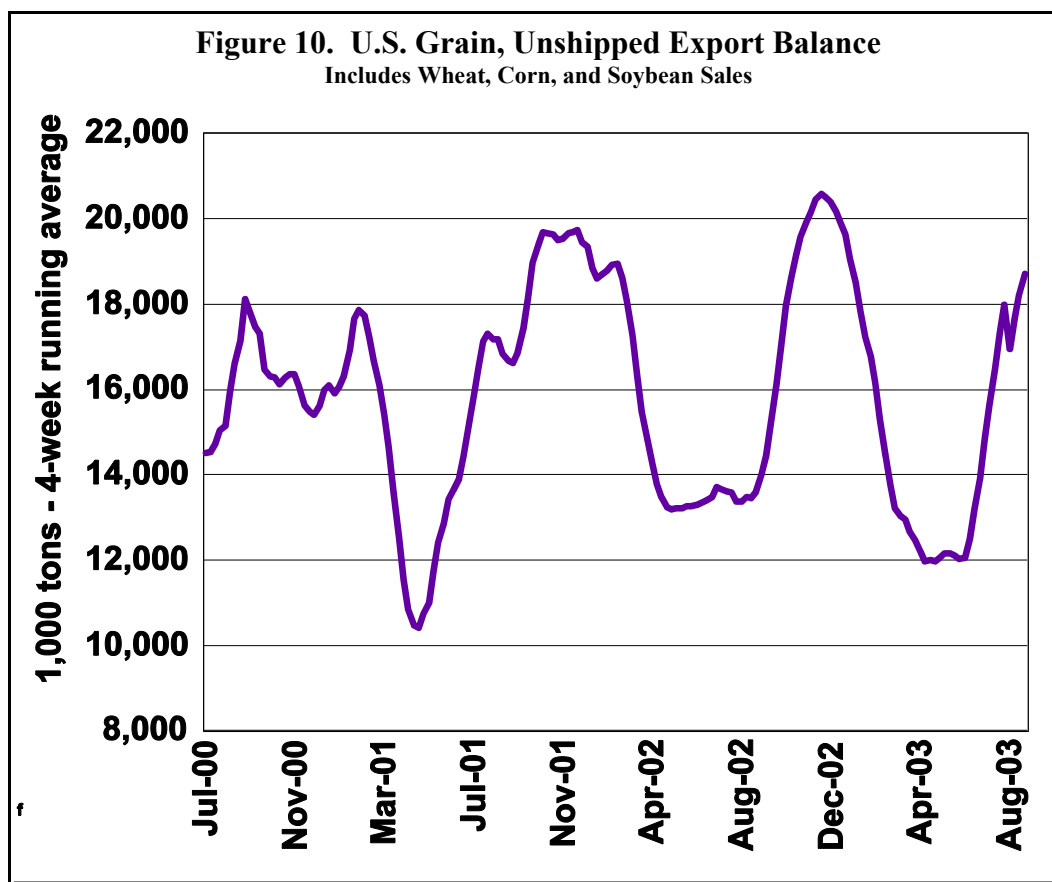
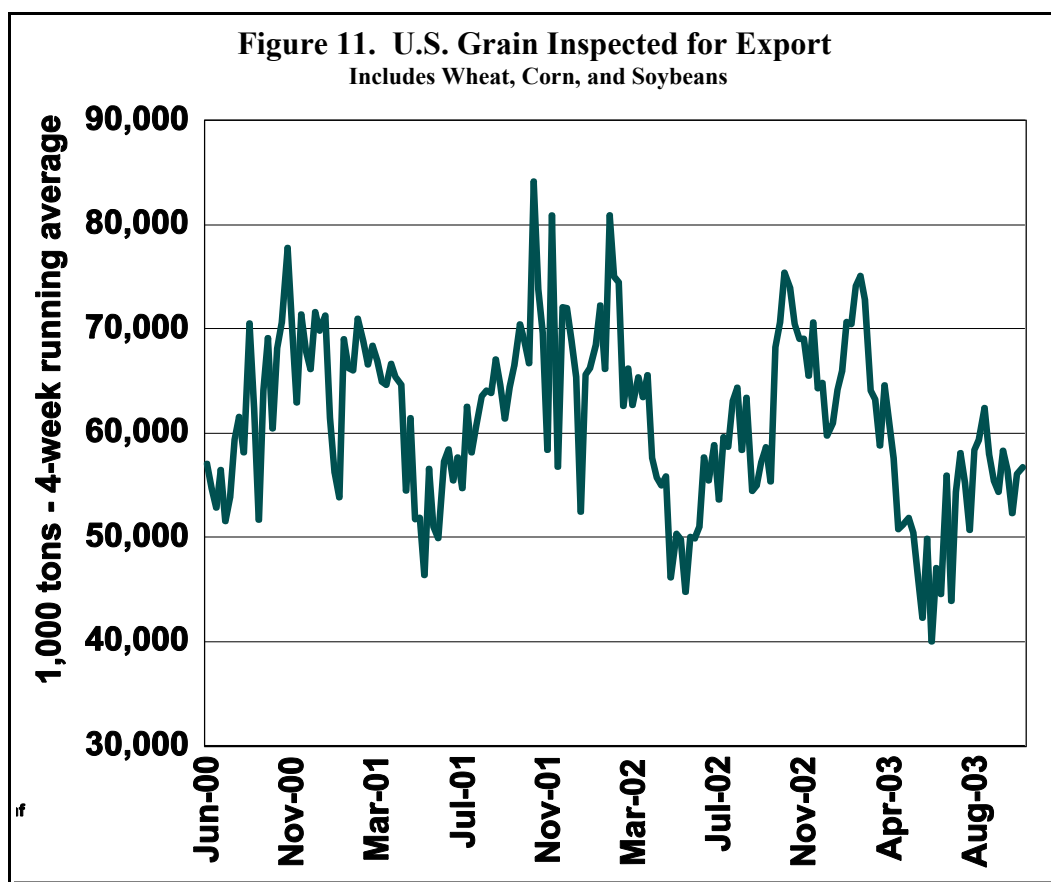


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Date	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybn</i>	<i>Pacific</i>	<i>Mississippi</i>	<i>Texas</i>
10/16/03	180	36	183	103	713	350	159	13	0	399	1,166	172
2003 YTD	7,085	4,197	3,322	4,960	23,329	12,105	5,332	580	56	14,603	40,394	5,968
2002 YTD	7,072	3,084	1,840	4,602	30,328	12,260	4,861	259	365	11,996	47,190	5,486
% 2002 YTD	100%	136%	181%	108%	77%	99%	110%	223%	15%	122%	86%	109%
2002 Total	9,128	3,994	2,870	5,670	36,383	18,549	5,875	266	373	15,992	60,602	6,514

Source: Federal Grain Inspection Service YTD-Year-to-Date



The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

Figure 12. Gulf Port Grain Vessel Loading
Past 7 Days

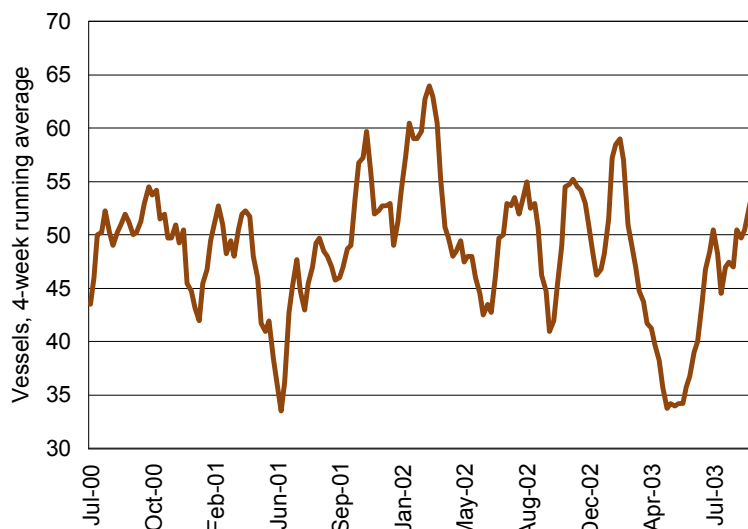


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

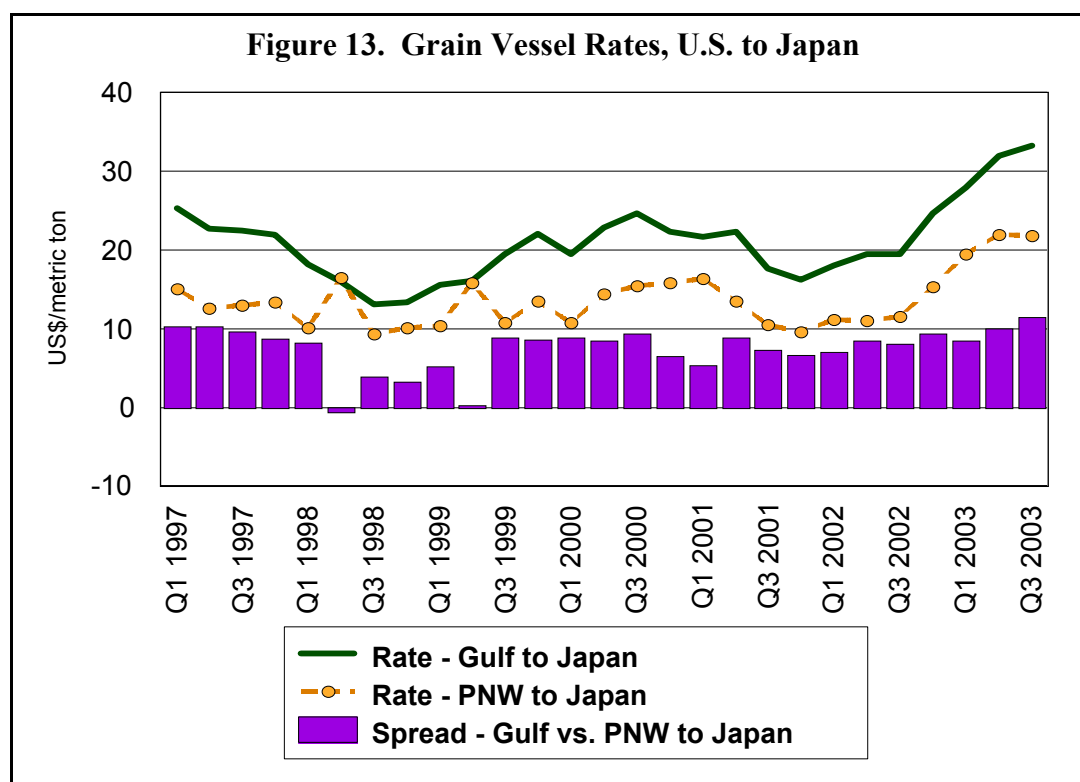
Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
10/09/03	34	56	79	8	4
10/16/03	38	56	82	11	8
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing/AMS/ USDA

Table 14--Quarterly ocean freight rates (average rates & percentage changes, U.S. dollars/metric ton)

	2003 3 rd Qtr	2002 3 rd Qtr	Change %		2003 3 rd Qtr	2002 3 rd Qtr	Change %
Gulf to				Pacific NW to			
Japan	\$33.83	\$19.54	73%	Japan	-	\$11.57	-
Mexico	-	\$7.25	-	Taiwan	\$19.50	\$11.21	73%
Taiwan	\$33.00	-	-				
N. Europe	\$22.88	-	-	Argentina/Brazil to			
N. Africa	\$25.50	\$13.50	89%	Med. Sea	\$33.38	\$19.93	67%
Med. Sea	\$24.88	\$11.92	109%	N. Europe	\$22.50	\$18.65	21%
				China	\$34.75	-	-

Source: Transportation & Marketing/AMS/USDA

**Table 15--Ocean freight rates for selected shipments**

Week Ending 10/18/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate (\$/ton)
U.S. Gulf	Adriatic	Hvy Grain	Oct 28/31	36,000	\$28.50
U.S. Gulf	Ghana	Wheat	Oct 20/30	15,000	\$42.65*
U.S. Gulf	Taiwan	Hvy Grain	Nov 5/18	44000/46000	\$44.00
U.S. Gulf	Japan	Hvy Grain	Nov 1/10	42,000/44,000	\$38.80
U.S. Gulf	Japan	Hvy Grain	Oct 20/30	54,000	\$37.00
U.S. Gulf	China	Hvy Grain	Oct 20/30	55,000	\$34.00
PNW	Hondura	Wheat	Oct 20/30	10,800	\$41.33
Germany	Turkey	Wheat	Oct 22/23	25,000	\$22.00

Source: Maritime Research Inc.

Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

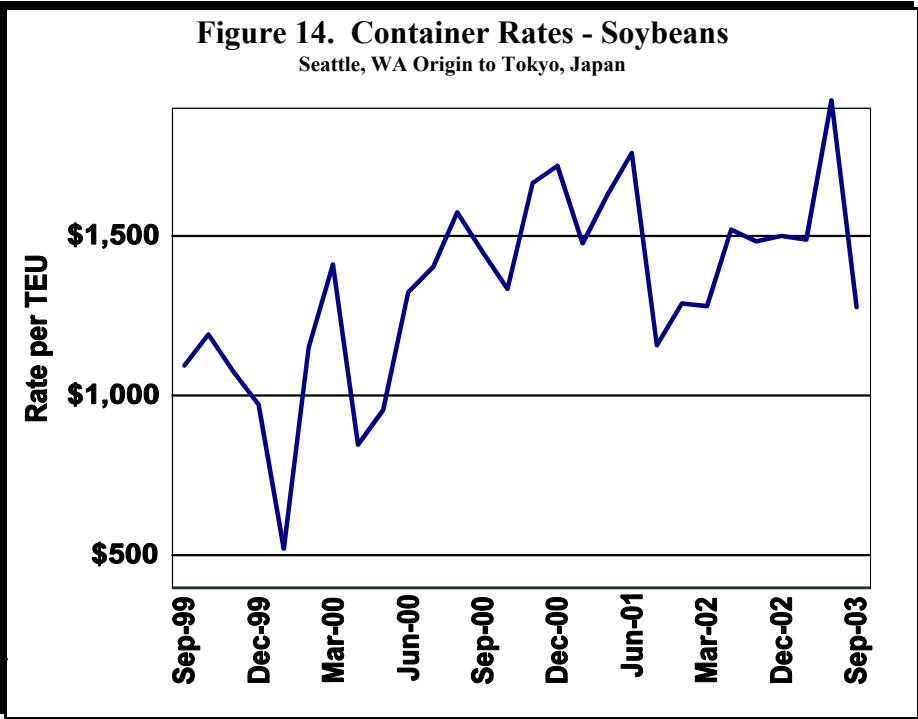
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates

Average rate per twenty-equivalent-unit (TEU), weighed by shipping line market share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.

